

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1578 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-3-1-3.5, AS AMENDED BY P.L.14-2000,
- 4 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JANUARY 1, 2000 (RETROACTIVE)]: Sec. 3.5. When used in
- 6 IC 6-3, the term "adjusted gross income" shall mean the following:
- 7 (a) In the case of all individuals, "adjusted gross income" (as
- 8 defined in Section 62 of the Internal Revenue Code), modified as
- 9 follows:
- 10 (1) Subtract income that is exempt from taxation under IC 6-3 by
- 11 the Constitution and statutes of the United States.
- 12 (2) Add an amount equal to any deduction or deductions allowed
- 13 or allowable pursuant to Section 62 of the Internal Revenue Code
- 14 for taxes based on or measured by income and levied at the state
- 15 level by any state of the United States.
- 16 (3) Subtract one thousand dollars (\$1,000), or in the case of a
- 17 joint return filed by a husband and wife, subtract for each spouse
- 18 one thousand dollars (\$1,000).
- 19 (4) Subtract one thousand dollars (\$1,000) for:
- 20 (A) each of the exemptions provided by Section 151(c) of the
- 21 Internal Revenue Code;
- 22 (B) each additional amount allowable under Section 63(f) of
- 23 the Internal Revenue Code; and
- 24 (C) the spouse of the taxpayer if a separate return is made by

- 1 the taxpayer and if the spouse, for the calendar year in which
 2 the taxable year of the taxpayer begins, has no gross income
 3 and is not the dependent of another taxpayer.
- 4 (5) Subtract:
- 5 (A) one thousand five hundred dollars (\$1,500) for each of the
 6 exemptions allowed under Section 151(c)(1)(B) of the Internal
 7 Revenue Code for taxable years beginning after December 31,
 8 1996; and
- 9 (B) five hundred dollars (\$500) for each additional amount
 10 allowable under Section 63(f)(1) of the Internal Revenue Code
 11 if the adjusted gross income of the taxpayer, or the taxpayer
 12 and the taxpayer's spouse in the case of a joint return, is less
 13 than forty thousand dollars (\$40,000).
- 14 This amount is in addition to the amount subtracted under
 15 subdivision (4).
- 16 (6) Subtract an amount equal to the lesser of:
- 17 (A) that part of the individual's adjusted gross income (as
 18 defined in Section 62 of the Internal Revenue Code) for that
 19 taxable year that is subject to a tax that is imposed by a
 20 political subdivision of another state and that is imposed on or
 21 measured by income; or
- 22 (B) two thousand dollars (\$2,000).
- 23 (7) Add an amount equal to the total capital gain portion of a
 24 lump sum distribution (as defined in Section 402(e)(4)(D) of the
 25 Internal Revenue Code) if the lump sum distribution is received
 26 by the individual during the taxable year and if the capital gain
 27 portion of the distribution is taxed in the manner provided in
 28 Section 402 of the Internal Revenue Code.
- 29 (8) Subtract any amounts included in federal adjusted gross
 30 income under Internal Revenue Code Section 111 as a recovery
 31 of items previously deducted as an itemized deduction from
 32 adjusted gross income.
- 33 (9) Subtract any amounts included in federal adjusted gross
 34 income under the Internal Revenue Code which amounts were
 35 received by the individual as supplemental railroad retirement
 36 annuities under 45 U.S.C. 231 and which are not deductible under
 37 subdivision (1).
- 38 (10) Add an amount equal to the deduction allowed under Section
 39 221 of the Internal Revenue Code for married couples filing joint
 40 returns if the taxable year began before January 1, 1987.
- 41 (11) Add an amount equal to the interest excluded from federal
 42 gross income by the individual for the taxable year under Section
 43 128 of the Internal Revenue Code if the taxable year began before
 44 January 1, 1985.
- 45 (12) Subtract an amount equal to the amount of federal Social
 46 Security and Railroad Retirement benefits included in a taxpayer's

federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a ~~qualified~~ long term care policy (as defined in ~~IC 12-15-39-6-5~~) **IC 27-8-12-5**) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under IC 6-3 by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(c) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) reduced by income that is exempt from taxation under IC 6-3 by the Constitution and statutes of the United States."

Page 12, after line 6, begin a new paragraph and insert;

- 1 "SECTION 21. **An emergency is declared for this act.**"
- 2 Renumber all SECTIONS consecutively.
(Reference is to HB 1578 as printed February 20, 2001.)

Representative Cochran